

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 24th Floor
San Francisco, California 94105**

**APPLICATION FOR LICENSE TO ACT AS AN
UNDERWRITTEN TITLE COMPANY**

Instructions: Please answer each question as thoroughly as possible. Do not leave questions blank. As you complete this application, place a check in the box next to the item number to indicate that the requested information has been attached or is otherwise included in the application.

- If items are attached to this application, please number the attachment corresponding to the number of the item below, along with a separate list of attachments.
- If there is no answer or the question is not applicable, please state "not applicable" in the space provided.
- If information or documentation is requested but not provided, please explain in a separate attachment.

Application is hereby made to the Insurance Commissioner of the State of California for a license to transact business as an underwritten title company pursuant to Section 12389 of the Insurance Code of the State of California, and in support thereof Applicant hereby declares as follows:

1. ☐ Name of the applicant
2. ☐ Address of the applicant (Home Office)
3. ☐ The applicant intends to operate in the following county(ies) in the State of California.
4. ☐ The applicant is applying for the authority to transact escrow business in the following county(ies) in the State of California.

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5. ☐ Attached are two originals and one copy of the Securities Transaction Request forms (A-174), tendering deposit to the Insurance Commissioner in the sum of \$7,500 for each county in which the applicant is requesting escrow authority, for a total of \$_____. The Department will forward the originals to the Securities Deposit Unit and will retain the copy for its files.
 - ☐ a) The appropriate fee for this Securities Transaction Request has been

enclosed, along with a copy of the check.¹

6. ☐ Attached are complete and duly executed copies of all existing (or unsigned copies of all proposed) underwriting agreements with any admitted title insurers under which the applicant intends to transact business.

Please respond to the statements below and attach a marked-up copy of the underwriting agreements, using tabs or captions to indicate where the following required provisions are located within the agreements.

- ☐ a) The agreements cover all of the counties for which the applicant is requesting authority to operate.
- ☐ b) The agreements do not allow for the placement of any liens upon the applicant.
- ☐ c) If the applicant does escrow, the agreements provide for one or more of the following provisions. Please check the appropriate box below:
 - ☐ i) A fidelity bond or insurance policy in conformity with the requirements of Section 12389.6; or,
 - ☐ ii) A review of the escrow disbursements by a title insurer employee in compliance with the requirements of Section 12389.6; or,
 - ☐ iii) An account review process in compliance with the requirements of Section 12389.6 or utilization of either the American Land Title Association's (ALTA) Escrow Internal Control Guidelines for Title Insurance Companies, Agencies and Approved Attorneys or the California Land Title Association's (CLTA) Account Review Processes and Oversight and Internal Control Guidelines as approved by the Department on April 1, 1996; or,
 - ☐ iv) Utilization of written procedures approved by the Commissioner in compliance with the requirements of Section 12389.6.
- ☐ d) If there is exposure to loss on the part of the applicant, the agreements provide that such loss shall not exceed \$5,000 per policy.
- ☐ e) The agreements affirmatively state whether or not the applicant is authorized to handle policy claims on behalf of the title insurer. (California Insurance Code Section 790; California Code of Regulations, Title 10, Section 2695.2(m))

¹ See the enclosed Schedule of Fees & Charges for In-State Treasury Depository.

- ☐ f) The agreements clearly indicate that the applicant is responsible for the maintenance of records regarding all escrow receipts and disbursements. (California Insurance Code Section 12389(b))
 - ☐ g) The agreements clearly indicate that the applicant is responsible for the maintenance of records of title orders sufficient to indicate their source. (California Insurance Code Section 12397.5(a))
 - ☐ h) The agreements clearly indicate that the applicant is responsible for the maintenance of adequate records regarding commissions paid. (California Insurance Code Section 12408.5)
 - ☐ i) The agreements require the establishment of a separate deposit account for escrow funds. (California Insurance Code Section 12413.5)
 - ☐ j) The agreements provide for notice to be given by the title insurer to the Commissioner in the event of termination of the underwriting agreement. (California Insurance Code Section 12408.1)
6. ☐ Attached is the Schedule of Rates to be charged for title and escrow services.
 7. ☐ Attached is a completed and duly executed copy of the Authorization for Disclosure of Financial Records to the California Insurance Commissioner form.
 8. ☐ Attached is the application fee (refer to current fee schedule), along with a copy of the check.
 9. ☐ Enclosed with this original application is a duplicate copy of the application and supporting documents. Submission of the duplicate copy with the original application will facilitate simultaneous review by the Department's Legal and Financial Analysis Divisions.

* * * * *

I, the undersigned, declare that I am authorized to represent and sign on behalf of the applicant company, _____
Applicant

I certify under penalty of perjury under the laws of the State of California that:

I am the _____ of
Title

_____, and that I have
Applicant

read the foregoing application and know the contents thereof and that each statement therein made is full, true and correct.

Executed this ____ day of _____,

at _____
City or Town State

Signature_____